

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

CONSUMER FINANCIAL
PROTECTION BUREAU,

Petitioner,

v.

Case No. 1:23-MI-7-WMR

NATIONAL CREDIT SYSTEMS,
INC.,

Respondent.

JOINT STATUS REPORT

Pursuant to this Court’s October 18, 2023 Order, Petitioner Consumer Financial Protection Bureau (“Bureau”) and Respondent National Credit Systems, Inc. (“NCS”) (together, the “Parties”) hereby submit this Joint Status Report to notify the Court of two developments relevant to the stay of this action (Doc. 011).

1. The Supreme Court Ruled that the Bureau’s funding mechanism does not violate the Appropriations Clause.

In October 2023, the Court ordered that this case be stayed pending the Supreme Court’s ruling in *CFPB v. Community Financial Services Ass’n of Am., Ltd.*, No. 22-448. See Doc. 011. The Supreme Court has now issued its decision in that case. See 2024 WL 2193873 (U.S. May 16, 2024) (“CFS4”).

In *CFSI*, the Court—with Justice Thomas writing for a seven-justice majority—affirmed the validity of the Bureau’s method of funding and held that “the Bureau’s funding mechanism does not violate the Appropriations Clause.” *Id.* at *5. This holding is dispositive of the issue raised by Respondent.

In light of the Supreme Court’s decision and the terms of this Court’s stay order, the Parties respectfully submit that the stay of this case should now be modified as provided below.

2. Respondent NCS no longer resists the Civil Investigative Demand on the basis of the Bureau’s funding mechanism and has agreed to respond to the Civil Investigative Demand that is the subject of this action.

The Parties conferred on May 21, 2024 and NCS has agreed to respond to the Bureau’s October 2022 Civil Investigative Demand (“CID”). The Parties are currently discussing modifications to the Applicable Period for Responsive Materials and the production deadline. The Parties respectfully request that the Court continue to stay any briefing or decision on the Bureau’s Petition to Enforce the CID for 60 days to permit NCS to produce the responsive information. When NCS has completed its productions in compliance with the CID, the Bureau’s petition will be moot and the Bureau will seek dismissal of this action.

Dated: May 28, 2024

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Respectfully submitted,

CONSUMER FINANCIAL
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CERTIFICATE OF COMPLIANCE

Pursuant to Local Rule 7.1(D), I hereby certify that the foregoing memorandum complies with the type requirements of Local Rule 5.1(C) because it was prepared in 14-point Times New Roman font.

/s/ Sarah Baldwin
Sarah Baldwin